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PCSW

Permanent Commission on the Status of Women

The State's leading force for women's equality

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**Testimony of
The Permanent Commission on the Status of Women
Before the
Banks Committee
February 10, 2011**

RE: S.B. 414, AAC Financial Institutions' Consideration of Unpaid Health Care Bills

Senators Stillman and Welch, Representatives Ritter and Perillo, and members of the committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) in response to the introduction of S.B. 414, AAC Financial Institutions' Consideration of Unpaid Health Care Bills.

S.B. 414 would prohibit banks, credit agencies and other lending institutions from considering unpaid health care bills when determining an individual's credit worthiness. Passage of this bill could positively impact:

CT Specific Data:

- 20% of households who do not have enough income to meet their basic costs of living based upon the family economic self-sufficiency standard (FESS). Of the 20%, female head of households represent 29% vs. 14% of male head of households.¹
- 8% of working adults in Connecticut who spend 20% or more of their income on out-of-pocket medical expenses.²

Connecticut women have higher out-of-pocket medical expenses than men, and are more vulnerable to medical debt. Fifty-six percent (56%) of medical bankruptcy filers are women.³ As health care costs grow, more than one-quarter of non-elderly women (27%) and two-thirds of uninsured women (67%) report they delayed or went without care they believed they needed because they could not afford it.⁴

By allowing creditors to use health care bills as a determinant of credit worthiness, non-wealthy families are penalized because they cannot afford an increasingly expensive healthcare system. Passage of this bill would

¹ Diana M. Pearce, Ph.D. *Overlooked and Undervalued: Where Connecticut Stands*. Prepared for the Permanent Commission on the Status of Women, June 2007 -- also source for self-sufficiency charts.

² State Health Access Data Assistance Center, December 2007

³ D.U. Himmelstein et al., "Illness and Injury as Contributors to Bankruptcy," *Health Affairs*. February 2005.

⁴ Kaiser Family Foundation, News Release, July 2005

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treat all Connecticut residents equally. We look forward to working with you to address this issue. Thank you for your consideration.